

2007 Legislative Talking Points



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Our Vision:

Quality, affordable child care is available to every child in Utah who needs it.

WHAT WE DO

Child care is a topic of importance to families, early care providers, school age providers and policy makers. Availability of affordable, quality child care is directly linked to economic and social benefits for Utah: parents can work, employers can fill jobs, the tax base can grow and our children's needs for nurturing, supervision, socialization and intellectual stimulation can be met.

Each of the OCC programs integrates aspects of these common goals:

- To help our children grow up safe, healthy, and confident;
- To ensure our children in child care are engaged in developmentally appropriate activities;
- To ensure our children enter school ready to learn and succeed;
- To inform communities of their child care resources;
- To support families in becoming self-reliant and contributing to their community and state economy; and
- To optimize all available funding sources.

WHY WE DO IT

- The demand for child care continues to grow: Utah has the **highest birthrate** in the country, the **youngest population**, and the **second-highest ratio of school-age children to adults**.¹
- In Utah there are currently more than **300,000** children under the age of 12 who have both parents working or live with a single working parent. That's almost **60 percent** of all Utah children under 12.²
- The percentage of working mothers in Utah is higher than the national average.³
- Utah's employment rate has *increased* over the past year, to **near full employment**.⁴ In order for business to continue to grow, parents need to be able to work. Access to child care allows parents to work—and that stimulates the economy in addition to reducing the burden on social services.
- Quality care is crucial. Longitudinal studies indicate that children in high quality care do better in school and stay out of trouble.⁵

ECONOMIC IMPACT

Evidence of the link between an adequate supply of quality child care and the state's economy is ample. An independent study on the state of child care in Utah—its supply, demand, and effect on Utah's economy clearly illustrates the need for high quality child care in Utah:⁶

- The child care industry is a major contributor to Utah's economy. It has an estimated ripple effect on Utah business of **\$820 million** and **40,000 jobs**.
- Across Utah, availability of regulated child care **increases the gross earnings** of the labor force by about **\$480 million** per year
- Availability of high quality child care helps **reduce employee absenteeism and turnover**.

QUALITY

Quality care promotes the optimal growth and development of children. Aspects of quality care include:

- Warm, sensitive and responsive interactions between a well-educated caregiver and a child
- Stable, consistent relationships with a limited number of caregivers
- Safe and supportive physical environments
- Adequate nutrition
- Stimulating activities which support learning through play
- Protecting children's health and safety through licensing regulation

How Do We Improve Quality?

One way is through our partnership with the Child Care Professional Development Institute (CCPDI) at Salt Lake Community College. Their Career Ladder and Training & Longevity Supplement (TL\$) programs teach providers tools for best practices and reward them with wage supplements.

- *TRAINING FOR CAREGIVERS:* During the past year, **63,335** hours of low cost training was accessed by child care providers at CCPDI to enhance their professional development and program quality. That's the equivalent of more than **30** years of 40-hour workweeks.⁷
- *BETTER PAY:* Child care wages in Utah rank **433rd** out of 435 employment sectors in the state.⁸ Research indicates that there is a strong correlation between caregiver pay and the quality of care provided. This is often because better pay means reduced turnover, providing more stability for children. The CCPDI programs help improve caregiver pay through wage supplements.
- *ACCESS TO HEALTH INSURANCE:* Studies have demonstrated that benefits for child care providers are critical components to improving the quality of care to children and lessening the turnover rate in the field.⁹ In 2007, OCC will organize a task force to explore viable health insurance options for providers.

SUPPLY

The state's supply of child care is defined as the total number of regulated child care spaces. In Utah, demand typically exceeds the supply, requiring an increase in the number of available child care spaces.

OCC grant programs support child care supply by creating or maintaining child care spaces:

- **59** *Youth Connections* grants awarded to create or maintain **afterschool** spaces. This helped more than **8,400** children in FY06, with about a quarter of them attending the grant-funded afterschool programs every day.
- **66** Baby Steps grants awarded to create or maintain approximately **850** infant/toddler spaces in FY06.
- More than **500** Start-up Grants awarded in FY06 to increase the availability of child care through new provider support, resources and training.

The Challenge:

- Every year, the OCC needs assessment data shows a need for infant/toddler and school-age spaces. OCC recommends **25** spaces per 100 children (by age group). Statewide, there are **fewer than 14 Infant/Toddler** and **After School** spaces per 100 children.
- Utah's employment rate *increased* from September 2005 to September 2006, from 95.9% employment to 96.8% employment, generally indicating a greater demand for child care.¹⁰
- The actual number of available child care spaces has *decreased* since Sept. 2005, from 42,214 to 40,826. This is a net loss of 1,388 spaces in just one year.¹¹

AFFORDABILITY

Affordability relates to the ability of Utah parents to pay for the child care services they need. Parents who cannot afford to pay for child care are forced to choose either poor quality child care or not working at all. This is detrimental to children, their families, and the economy.

What is subsidy? - The federal government grants Utah money to use to help eligible parents pay their child care costs. This “subsidy” pays for a portion of the parents’ child care costs.

- A benchmark of the 75th percentile is recommended when establishing subsidy rates. The 75th percentile is regarded as providing children equal access to child care settings. The current subsidy rate (established in 2001) is **well below** the 75th percentile for **all** child care age groups and settings.¹²
- Example: the subsidy level for Family Home Child Care rates shows that parents with infants can only afford to take their children to 42% of providers—leaving 58% of providers inaccessible.
- **Investment to Raise the Subsidy Rate:** To increase the percentile of child care settings accessible to parents receiving the subsidy, the cost will be (based on current caseload):
 - 65th percentile = \$5,407,167
 - 70th percentile = \$7,339,618
 - 75th percentile = \$13,455,254

BUDGET & FUNDING

- About \$17.6 million in **Child Care Development Fund Block Grant (CCDF)** money is available to Utah based on a matching system. The CCDF match rate for FFY07 is approximately 2.34 to 1. That means that for every dollar the State allocates, the Federal government provides \$2.34.
- Gov. Huntsman’s budget request for the coming year calls for **replacing one-time General Fund money with \$3.5 million in ongoing funds.**¹³ When combined with additional funding sources, for a total of about \$7 million, that will draw down about \$16.4 million, or nearly all, of the CCDF matching funds set aside for Utah.
- If Utah draws down the full CCDF match, the money will be used for:
 - Priority #1: Supporting the child care caseload growth.
 - Priority #2: Increasing the amount of child care subsidy available to working parents.
 - Priority #3: Raising the income threshold for parents in need, and refining an income threshold system to allow for parents to move in and out of the program gradually.

CONTACT

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Citations for this document:

- ¹ [Utah Foundation](#), 2004
- ² [U.S. Census Bureau](#) figures
- ³ Department of Workforce Services (DWS), [Report on Labor Force Participation](#)
- ⁴ Department of Workforce Services (DWS), [Workforce Development and Information Update](#)
- ⁵ Schweinart, et al., 2003, [High/Scope Perry Preschool Study](#)
- ⁶ BBC Research & Consulting, 2004 [Economic Impact of Child Care in Utah](#)
- ⁷ Office of Child Care (OCC), [Annual Report](#)
- ⁸ BBC, op. cit.
- ⁹ National Child Care Information Center, [Health Insurance Benefits for Early Childhood Providers](#)
- ¹⁰ DWS, op. cit.
- ¹¹ Department of Health, [Bureau of Child Care Licensing](#)
- ¹² OCC, op. cit.
- ¹³ Governor's Office of Planning and Budget, [Fiscal Year 2008 Budget Recommendations](#)

A handy, wallet-sized quick-reference containing all of the above information (except the citations page) is available from the Office of Work & Family Life.



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